

FORMAL COMMENT — DOCKET OFCCP-2025-0100 | OMB 1250-0004 | COMMENT 13 OF 13
SUBMARINE & AERIAL DRONE — SOLE SOURCE CONTRACTS

National Security Sole-Source Contract Authority + VEVRAA Burden Relief for Classified/Sensitive Defense Tech + USC §2304 Reform

VEVRAA Recordkeeping | 38 U.S.C. §4212 | Due: MARCH 9, 2026 | regulations.gov

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Filer	James Hunter Poole, Executive Chairman & CEO — Obelisk Tech Systems Inc.
CAGE / UEI	9S0L8 U34MSJ6A6413 Thomasville, Thomas County, Georgia (Rural, ~23% poverty, ~14% BA attainment)
Contracts	Navy · Army · SOCOM · AFSOC — Cybersecurity, AI, Quantum Comms, Encrypted Comms, Submarine/Aerial Drone Systems
Standing	ETAAC Nominee DARPA SBIR HR0011SB20254-12 14-Patent Portfolio DTIC AD1348980 NIST 800-171 ITAR DS-2032 BIS SNAP-R S745686 FinCEN MSB DOE Energy-AI Nexus
Entity	Delaware Corporation — Defense Technology CAGE 9S0L8 SAM.gov Active SBIR Applicant

I. THE NATIONAL SECURITY SOLE-SOURCE CONTEXT

Obelisk Tech Systems Inc. develops and anticipates delivering submarine systems integration technology, aerial drone communications platforms, encrypted AI-autonomous systems, and quantum communications infrastructure to U.S. Navy, Army, SOCOM, and AFSOC. Contracts in these categories are frequently awarded or are candidates for award as sole-source contracts under 10 U.S.C. §2304(c)(1) (unique source — only one responsible source), 10 U.S.C. §2304(c)(4) (international agreement), and 10 U.S.C. §2304(c)(6) (national security — disclosure of need would compromise national security).

For sole-source national security contracts involving submarine systems, aerial UAS platforms, and quantum-encrypted communications, the VEVRAA recordkeeping framework creates a structural contradiction: the same contract that is awarded as sole-source under national security grounds — because competitive disclosure would compromise program integrity — then requires the contractor to maintain workforce records subject to OFCCP compliance evaluations that may require disclosure of workforce data associated with the classified or controlled program. OFCCP's information collection framework has never addressed this contradiction.

II. SOLE-SOURCE CONTRACT CATEGORIES — VEVRAA BURDEN RELIEF DEMANDED

A. Submarine Systems Integration

Contracts for submarine systems integration technology — propulsion control software, sonar signal processing AI, hull sensor fusion platforms, autonomous navigation systems — are inherently sole-source in the early development phase due to the specialized nature of the technology and the limited contractor base. Obelisk's quantum communications and encrypted AI platforms are candidates for submarine program integration. VEVRAA recordkeeping for a contractor working on submarine technology must be handled with submarine-program-appropriate information security protocols.

- Demand: OFCCP to establish a classified/controlled program VEVRAA compliance protocol — recordkeeping maintained under CUI handling requirements, submitted only to cleared OFCCP compliance officers, with no public docket disclosure.
- Demand: Sole-source submarine program contractors (10 U.S.C. §2304(c)(6) awards) exempt from scheduled OFCCP compliance evaluations during the base period of the contract. Complaint-based investigations permitted.

B. Aerial Drone (UAS) Sole-Source Contracts

Unmanned Aerial System contracts for SOCOM, AFSOC, and Army — covering autonomous navigation AI, encrypted communications links, counter-UAS systems, and drone swarm coordination platforms — are frequently awarded as sole-source under the unique capability provisions of 10 U.S.C. §2304(c)(1). Obelisk's AI automation and encrypted communications portfolio is directly applicable to UAS mission systems. For these contracts:

- Demand: UAS sole-source contractors (under 50 employees, CAGE code active, ITAR registered) exempt from VEVRAA AAP requirement during performance — replaced by a simplified workforce certification confirming non-discrimination and veteran outreach.
- Demand: DoD to issue a class determination under 41 C.F.R. §60-300.4(b)(1) exempting sole-source UAS program contracts below \$5M from VEVRAA flowdown to subcontractors — the specialized UAS technology supply chain does not support VEVRAA flowdown without damaging the procurement ecosystem.

C. National Security Sole-Source Contract Carve-Out — 10 U.S.C. §2304(c)(6)

For any contract awarded under 10 U.S.C. §2304(c)(6) — national security determination that disclosure of the agency's needs would compromise national security — the contractor should be eligible for a VEVRAA compliance alternative track:

- Alternative Track: Contractor certifies annually to OFCCP that it maintains a written non-discrimination policy, extends veteran self-ID invitations to all applicants, and has no unresolved veteran discrimination complaints. No AAP required. No utilization analysis required. No OFCCP audit during contract performance.
- Legal basis: 41 C.F.R. §60-300.4(b) already exempts certain categories of covered contractors from specific AAP requirements. Extension to §2304(c)(6) sole-source contracts is within OFCCP's existing exemption authority.

III. SOLE-SOURCE CONTRACT EXPANSION — CONGRESSIONAL DEMAND

A. Expand Sole-Source Authority for Rural Defense AI Companies

Congress should amend 10 U.S.C. §2304(c)(1) to add an explicit unique capability finding category for rural defense technology companies with active SBIR awards and CAGE codes that are the only domestic source for a specific AI, quantum, or cybersecurity capability in a rural census tract. This creates a formal procurement pathway for rural defense technology companies that are sole sources of national security capability but lack the contracting infrastructure to win competitive solicitations against large defense primes.

- Proposed amendment: 10 U.S.C. §2304(c)(1) to add: 'A rural defense technology company (as defined in 15 U.S.C. [SBA rural defense tech definition]) with an active SBIR award in the relevant technology area may be considered the only responsible source for purposes of this section when no other domestic source in a rural census tract can provide the required capability.'

B. Sole-Source Set-Aside for Submarine and UAS Programs

- Establish a DoD procurement pilot program: for submarine propulsion AI, UAS mission autonomy, and quantum communications programs, reserve a percentage of Phase II SBIR commercialization contracts as sole-source awards to the SBIR-awardee company — eliminating the requirement to re-compete the technology the government funded under SBIR.
- VEVRAA connection: Sole-source SBIR commercialization contracts should carry the simplified VEVRAA certification alternative track described above — not full AAP obligations.

IV. INTEGRATION WITH COMMENTS 1–12

The submarine and UAS sole-source context integrates with the broader 13-comment series as follows: the VEVRAA burden documented in Comments 1–11 is most disproportionate for exactly the type of contractor described in Comment 13 — a small, rural, highly specialized defense technology company working on submarine and drone systems under sole-source national security contracts. The administrative burden that Comments 1–11 quantify in hours and dollars is experienced most acutely by Obelisk and similarly situated companies, precisely because these are the contractors who can least afford to divert engineering capacity to compliance overhead. The aggregate demand of all 13 comments is coherent and consistent: reduce VEVRAA compliance burden, recognize the energy and sole-source context, and build a rational regulatory framework that supports — rather than impedes — the small rural defense technology companies building the next generation of American national security capability.

Respectfully submitted,

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